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RHEFDIA/DIA WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHDC
RHMCSUU/DEPT OF ENERGY WASHINGTON DC
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS LAGOS 000768

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STATE FOR AF/W
TREASURY FOR DPETERS, RHALL, RABDULRAZAK
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COMMERCE FOR KBURRESS
STATE PASS USTR FOR LISER, AGAMA
STATE PASS TRANSPORTATION FOR KSAMPLE
STATE PASS OPIC FOR ZHAN, MSTUCKART, JEDWARDS
STATE PASS TDA FOR EEBONG, DSHUSTER
STATE PASS EXIM FOR JRICHTER
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SUBJECT: NIGERIA: CUSTOMS CUMBERSOME BUT AVIATION HANDLING
EXPANDING OPERATIONS

¶1. (SBU) Summary: Local logistics company executives said internal Nigerian customs disputes contribute to the slow pace of the customs clearance process. Despite the cumbersome Nigerian customs process, the company is expanding their operations at the local airport. End Summary.

Conflict Between Customs Agencies Slows Process

¶2. (SBU) Nigerian Aviation Handling Company (NAHco) CEO Bates Sules and COO Kristof Henot met with EconCouns and EconOff to discuss the state of Nigerian customs. They described a divided customs service rife with tensions between sub-agencies. The Federal Operations Unit (FOU) is responsible for enforcing customs law and checking for contraband, while the regular customs unit at the airport handles duty and clearance processes. However, the FOU regularly steps into the sister agency's territory. The executives described a recent two-week-long freeze of all cargo in the airport warehouses during which the FOU insisted it had to screen the items for contraband, including illegally imported textiles. The airport customs officials in charge of clearing imported items were told to "step back". In order to meet growing import demands, and support existing export demands, customs reform is key, Sule and Henot stated. Both stated that the length of time items remain in customs has nothing to do with the handling companies and is entirely up to the customs officials.

¶3. (SBU) Sule and Henot went on to describe the cumbersome customs export process. In order to export items, an organization must obtain clearance from four different government agencies, including multiple physical screenings of the items. This process is burdensome to businesses who wish to export Nigerian products, as well as those who want to temporarily export items for repair. Both in-bound and out-bound items are screened by x-ray machines provided by the U.S. Government.

Paperless Process Would Ease Customs Burden

¶4. (SBU) Sule said NAHCo would like to see the implementation of a paperless process, similar to that recently started in Ghana. While that transition was not an easy process, it is now flowing well, Henot remarked, having helped with its implementation. When asked by EconCouns whether there would be any resistance on the part of Nigerian officials to reforms, Sule opined that all Nigerian agencies want modernization to go forward. (Comment: Post is skeptical; many Nigerian officials have a personal financial interest in keeping the process as burdensome as possible. End Comment.)

¶5. (U) NAHCo is expanding its cargo area to accommodate more carriers, a sign of increasing non-oil economic activity. Sule stated the company had seen a significant increase in imports into the country. NAHCo handles about 50-60 percent of incoming cargo.

¶6. (U) This cable has been coordinated with Embassy Abuja.

HUTCHINSON